



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

THE DIRECTOR

June 23, 2005

The Honorable Judd Gregg
United States Senate
Washington, D.C. 20510

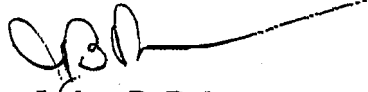
Dear Chairman Gregg:

I understand that an amendment will be offered in the Senate today to H.R. 6, the Energy Policy Act of 2005, that would create a new mandatory revenue sharing program for States with existing OCS leases in Federal waters.

This proposal is inconsistent with the President's FY 2006 Budget and would increase mandatory spending, thereby having a significant impact on the budget deficit. For this reason, the Administration strongly opposes this amendment.

The Administration looks forward to continuing to work with the Congress on crafting a good Energy bill for the President's signature.

Sincerely,



Joshua B. Bolten
Director

cc: The Honorable Pete Domenici